being deducted from the allowance payable to the present Chief out of his pay. The Government have sanctioned the writing off of the loan and this has to be credited in the Cranganur books to Investments withdrawn and debited to Service heads. The amount represents only an adjustment in the books. I request the House will be pleased to sanction this amount.

The Demand was put and carried.

PRESENTATION OF THE BUDGET ESTIMATES FOR 1115.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* Sir, I have great pleasure to present before the House the Budget Estimates of the next financial year, 1115.

2. Last year, while introducing the Budget Estimates for the current year I supplied the House with the audited figures of the year 1112. They were Rs. 1,01,01,504 under receipts (ordinary) and Rs. 1,02,17,427 under expenditure (ordinary). Compared to these, the actual receipt and expenditure for the year 1113 are Rs. 1,05,36,538 and Rs. 1,05,15,696 respectively. In other words as compared to the actuals of 1112, there is an increase of Rs. 4,35,034 under receipts and an increase of Rs. 2,98,269 under expenditure with the result that while the year 1112 closed with a small deficit of Rs. 1,15,923 the year 1113 has closed with a clear realised surplus of Rs. 4,70,842 which, after providing Rs. 4·5 lakhs towards the nucleus of a Revenue Reserve Fund which in coming years, I am sure, will be a most useful institution to ensure financial stability and progress, has yielded a balance of Rs. 20,842.

3. The same set of figures—I mean the actuals of the year 1113—when compared with the Revised Estimate figures of the year presents a different picture.

In lakhs of rupees

	Revised Estimate of 1113	Actuals of 1113	Variation
Receipts	98·64	105·37	6·73
Expenditure	101·35	105·16	3·81
Surplus (+) or deficit (—)	—2·71	+0·21	..

4. Compared to the Revised Estimate the actuals under receipts have shown an increase of a little over Rs. 6·7 lakhs. The increase

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has been mainly under Salt, Abkari and Ganja, Profits from Capital Outlay, Income-tax and Miscellaneous. The increase under Salt is due to the excess quantity of salt consumed in the State while that under Abkari & Ganja is due to the rebate of duty on spirituous medicinal preparations, license fee for sale of foreign liquor and receipts on account of supervision cost towards the administration of the Matches Excise duty. The increase under Income-tax over the Revised Estimate amounting to Rs. 0·23 lakh was due to the extra assessment of certain incomes of 1111 and 1112 in 1113. The increase from Profits from Capital Outlay, viz., Rs. 5·93 lakhs, has been largely due to the payment of royalty, etc. on account of the transactions with regard to the reclamation lands. There have been also slight increases under certain other heads but they do not call for any special attention. There are also decreases under Stamps, Matches, Forests & Tramway and Stationery & Printing, though the net result has been an increase in the actuals as compared to the Revised Estimate. The fall of revenue under Stamps is due to the decrease in sale of court fee stamps. The decrease under Matches is due to the fall in the sale of banderols. The fall in the revenue expected by the sale of timber and other forest produce removed by Tramway and the fall in the traffic carried for the public by Tramway mainly contribute to the decrease under Forests and Tramway. The decrease under Stationery & Printing is due to the strict economy exercised in the supply of stationery and printed forms to the various departments of the Government. The slight decreases under other items do not require any special comment.

5. Compared to the Revised Estimate, the actuals on the expenditure side as well have shown a few variations. There have been increases in expenditure under Palace, Income-tax and Miscellaneous. The increase under Palace is due to the payment of Rs. 55,000 which has been due to the Palace Funds as part of its annual contribution under the Palace Revision Scheme, but had been with-held each year on account of financial stringency. The increase under Income-tax was due to larger refunds the Commissioner had to order. A sum of Rs. 4½ lakhs has been included under Miscellaneous representing the amount transferred from general savings to the Revenue Reserve Fund which has been opened as a separate Personal Deposit account. The significance of this is that the balances under this fund will not lapse to the general balances at the close of the year as in the case of the ordinary revenue budget heads. It is from this fund that a special contribution of One lakh of rupees a year will be made for Rural Development works for the next three years.

6. Leaving these main items where there have been increases, I might point out that in certain departments there have been

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decreases in expenditure as compared to the Revised Estimates of last year. The net result, however, is that though under the Revised Estimate a deficit of Rs. 2·70 lakhs was anticipated as per the actuals the Government have been able to realise a net surplus of Rs. 20,842 after providing Rs. 4½ lakhs towards the constitution of the Revenue Reserve Fund.

7. One of the factors that contributed to this pleasant result has been certainly the strict control which Government have maintained over recurring expenses of a purely administrative character. Under the one item Travelling Allowance alone, as compared to the actuals of 1110, there has been a reduction of about Rs. 10,500 in the actuals of 1113 and this is in spite of the larger daily allowance that is now being allowed to the inferior servants.

8. Under establishment charges though there cannot obviously be an appreciable reduction in expenditure compared to the establishment charges of previous years it will be found on examination that the proportion of increase in expenditure on account of establishment making provision for the increments in the time scales, has been very greatly reduced of late and that the rise in expenditure under establishment on account of new appointments and strengthening of staff is strongly checked. There has also been considerable reduction in expenditure on account of printed forms, stationery, office expenses and such other items of a recurring nature which are required mainly to carry on the functioning of the departments but do not directly contribute towards progress in development or welfare schemes.

9. Having given so far an account of the year 1113 we should now proceed to the figures of the current year.

REVISED ESTIMATE OF 1114.

10. At this time last year, the total receipts of the current year were estimated to stand at Rs. 1,04,86,500. According to the Revised Estimates, however, they have risen to Rs. 1,08,46,000. The increase of Rs. 3,59,500 has been due to increase under Customs, Interest, Income-tax, Railway, Salt and a few other such items. The increase under Customs is the increase in the actuals realised. The increase under Interest is due to the larger investments from the State general balances. The increase under Income-tax is due to the larger collections expected in the ordinary course by the Income-tax department. The increase under Railway has been due to the larger earnings of the Shoranur Cochin line. So also under Salt the increase has been due to the larger quantity of salt consumed in the State. The only appreciable item of decrease in receipt is under

RECEIPTS.

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APPENDIX II.

MEMORANDUM

EXPLAINING

THE DETAILS OF THE BUDGET ESTIMATES

OF 1115.

INTRODUCTORY.

The budget estimates can be grouped under the following main divisions.—

i. Receipts (Ordinary).

ii. Disbursements (Ordinary).

iii. Debt Heads.

iv. Remittances.

The first group deals with the income of the Government whether it be from special taxation or otherwise and the second deals with the expenditure chargeable to it. The third division comprises receipts and expenditure on account of deposits, loans and advances —receipts representing a liability and payments asset. With regard to these the position of the Government is largely analogous to that of a banker. Under the last group appears all cash remittances from one treasury or bank to another, as also those which are necessitated by the system of exchange account in force between this Government and other Governments and the adjustment of certain departmental transactions before they are finally entered in the accounts.

2. Along with the budget estimates of next year are shown the budget and revised estimates of the current year and the actuals of the last year 1113.

3. For facility of reference and to show the progress in the income and expenditure of the State for the last decade two

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statements covering the last 10 years beginning from 1103 are given below.—

STATEMENT No. 1.

Year	Receipts Rs. lakhs	Disbursements Rs. lakhs	Surplus or deficit Rs. lakhs
1103	86·24	67·14	19·10
1104	91·12	73·44	17·68
1105	93·67	83·33	10·34
1106	70·17	80·83	—10·66
1107	89·37	82·97	6·40
1108	105·57	82·29	23·28
1109	75·33	90·43	—15·10
1110	97·41	96·83	·58
1111	99·48	100·44	—·96
1112	101·02	102·17	—1·15
1113	105·37	105·16	·21

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STATEMENT No. 2.

A.

RECEIPTS.

Heads of Receipts	1103 lakhs Rs.	1104 lakhs Rs.	1105 lakhs Rs.	1106 lakhs Ps.	1107 lakhs Rs.	1108 lakhs Rs.	1109 lakhs Rs	1110 lakhs Rs.	1111 lakhs Rs.	1112 lakhs Rs.	1113 lakhs Rs.
Land Revenue ..	12·32	12·64	12·50	12·25	12·23	12·21	10·16	11·43	10·60	12·24	12·28
Excise* ..	20·47	22·11	24·28	20·43	19·28	19·58	19·98	17·68	21·99	22·61	21·48
Customs ..	15·43	14·14	15·89	..	17·49	32·88	2·78	19·09	20·10	19·00	13·47
Stamps ..	6·94	6·49	6·19	5 95	6·61	6·65	6·44	6·14	5·82	5·96	5·50
Forests ..	4·85	6·75	6·21	3·07	3·43	2·97	3·29	3·51	3·74	4·12	3·62
Profits from Capital Outlay ..	13 20	14·38	14·07	13·41	14·36	16·65	15·66	17·39	18·35	17·36	26·78
Income-tax ..	..	..	..	..	..	..	..	2·71	3·29	3·72	6·83
Other receipts ..	13·03	14·31	14·53	15·06	15·97	14·63	17·02	19·46	15·59	16·01	15·41
Total ..	86·24	91·12	93·67	70·17	89·37	105·57	75·33	97·41	99·48	101·02	105·37

* Excise includes 'Salt', 'Abkari' and 'Ganja', 'Opium', 'Tobacco' and 'Matches'.

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B.

DISBURSEMENTS.

Heads of Expenditure	1103 lakhs Rs	1104 lakhs Rs.	1105 lakhs Rs	1106 lakhs Rs.	1107 lakhs Rs.	1108 lakhs Rs.	1109 lakhs Rs.	1110 lakhs Rs	1111 lakhs Rs.	1112 lakhs Rs.	1113 lakhs Rs.
Land Revenue ...	2·31	2·40	2·49	2·89	2·97	2·87	2·93	3·02	3·12	3·11	2·96
Agriculture ..	2·74	2·78	3·43	4·09	4·08	3·48	1·46	1·58	1·63	1·62	1·65
Panchayats ..	..	..	...	..	...	..	2·04	2·11	2·18	2·14	1·95
Palace ..	5·00	5·00	5·00	5·00	5·00	4·58	4·58	6·00	6·95	6·95	7·50
Subsidy ...	2·00	2·00	2·00	2·00	2·00	2·00	2·00	2·00	2·00	2·00	2·00
Excise including Customs, etc. ..	2·75	2·89	2·73	·21	1·18	1·25	1·20	1·17	1·23	2·01	1·99
Forests ..	1·43	3·17	3·15	3·59	2·22	1·64	2·24	2·55	2·58	2·52	2·53
Tramway ...	1·24	1·12	1·25	1·30	1·25	·79	·98	1·76	1·60	·81	·80
General Administration ...	1·07	1·14	1·17	1·57	1·41	1·28	1·81	1·86	2·53	2·08	1·89
Law and Justice ..	2·45	2·51	2·56	2·86	3·02	2·63	2·80	2·92	3·07	3·01	2·94
Police ..	1·99	1·87	1·90	2·20	2·15	2·00	2·16	2·26	2·35	2·27	2·22
Education ..	12·70	12·68	13·28	14·03	15·45	15·35	16·21	16·94	18·33	18·28	18·30
Religious and Charities ..	·89	1·32	·94	·82	·92	·90	·81	·79	·89	·94	·82
Medical	3·62	3·71	3·99	4·63	4·89	5·17	4·46	4·56	4·67	4·77	4·78
Public Health ..	...	...	..	..	..	..	1·18	1·72	1·71	1·46	1·41
Pension and Gratuity ..	1·65	1·90	2·16	2·58	3·08	3·41	3·22	3·83	3·78	3·86	4·23
Public Works ..	10·50	12·30	19·00	15·86	14·04	15·07	13·57	12·75	13·02	14·33	12·84
Railway ...	7·79	8·83	7·85	8·65	9·05	9·25	9·53	11·08	12·43	11·66	12·03
Military ..	·93	1·01	1·00	1·19	1·13	1·21	1·27	1·22	1·29	1·16	1·10
Scientific, etc. Departments ..	·92	1·21	1·59	1·47	1·40	1·31	1·52	1·91	—·16	1·30	·44
Other items of expenditure ...	5·07	5·60	7·84	5·89	7·73	8·10	14·46	14·80	15·24	15·89	20·78
Total of service heads ..	67·14	73·44	83·33	80·83	82·97	82·29	90·43	96·83	100·44	102·17	105·16

4. Also for purposes of facility of comparison with the corresponding figures of last year the changes effected in classification of certain items of receipts and expenditure for reasons of administrative convenience are tabulated in the form of an appendix to this Memorandum.

ACCOUNTS OF 1113.

5. The total revenue and expenditure in the closed accounts of the year 1113 as compared with the budget and revised estimates of that year stood as follows.—

(In lakhs of rupees)

Particulars	Budget estimate 1113	Revised estimate 1113	Actuals 1113
	Rs.	Rs.	Rs.
Total Revenue ..	100·58	98·64	105·37
Total Expenditure ..	98·77	101·35	105·16
Surplus + or deficit— ..	+1·81	—2·71	·21

At the time of the preparation of the budget, the revenue transactions of the year 1113 were expected to result in a small surplus of Rs. 1·81 lakhs the revenue and expenditure anticipated having been Rs. 100·58 lakhs and Rs. 98·77 lakhs respectively. According to the revised estimates, it was anticipated that there would be a decrease in revenue of Rs. 1·94 lakhs and the expenditure was expected to record a rise of Rs. 2·58 lakhs thus resulting in a deficit of Rs. 2·71 lakhs. The actual transactions of the year, however, resulted in a surplus of Rs. ·21 lakh which is after the transfer of a sum of Rs. 4·50 lakhs to a special fund called the Revenue Reserve Fund. A sum of Rs. 3 lakhs has been ear-marked as a special contribution for schemes of rural development. This amount has been placed at the disposal of the Hon'ble Minister for Rural Development at the rate of Rs. 1 lakh per year from 1115.

RECEIPTS.

6. The important variations in the actuals, as compared with the budget estimates are detailed in the sub-joined table.—

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(Receipts—In lakhs of rupees)

Major head	Budget estimate 1113	Actuals 1113	Increase	Decrease	Reasons
Land Revenue	12·13	12·28	·15	..	Increase under Land Revenue Proper Penalty on unauthorised occupation, Interest, Water cess, occasional double crop charges and Fisheries
Stamps	5·78	5·50	..	·28	Decrease in sale of Court fee stamps
Customs	20·00	13·47	..	6·53	Actual Revenue under the Harbour agreement
Abkari & Ganja	9·55	10·20	·65	..	Increase under Rebate of duty on spirituous medicines, license fee for sale of foreign liquor, tapping, current collection, and also receipt on account of supervision of Matches
Matches	2·26	1·63	..	·63	Due to decrease in the sale of banderols.
Tobacco	3·16	3·35	·19	..	Actual rental
Forests	3·78	3·62	..	·16	Due to lesser quantity of timber disposed of
Interest	1·95	1·58	..	·37	Mainly due to transfer of interest on 'Advance on Dredging plant' to 'Advances'

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(Receipts—In lakhs of rupees)

Major head	Budget estimate 1113	Actuals 1113	Increase	Decrease	Reasons
Public Health	·33	·47	·14	..	Increase under Miscellaneous receipts mainly due to levy of fees for cynogassing of vessels in connection with anti-plague campaign
Stationery and Printing	1·23	1·08	..	·15	Decrease due to less quantity of stationery and printed forms supplied to Departments
Public Works	3·39	3·56	·17	..	Increase under Ferry receipts, Travellers' Bungalow fees, sale of buildings, etc.
Railway	18·00	16·71	..	1·29	Due to fall in earnings
Profits from Capital outlay	·78	10·07	9·29	..	Increase due to sale of a portion of reclamation lands, royalty, etc.
Income-tax	3·55	6·83	3·28	..	Increase due to extra assessment of certain incomes, for 1111 and 1112
Miscellaneous	·14	·44	·30	..	Increase mainly under unclaimed deposits, lapsed and credited to Sirkar and other miscellaneous receipts

DISBURSEMENTS.

7. The total expenditure as provided in the budget was Rs. 98·77 lakhs; the actuals, however, show that the aggregate expenditure came to Rs. 105·16 lakhs which, compared with the budget showed an increase of Rs. 6·39 lakhs. The noticeable increases and decreases occurred under the following heads:—

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(In lakhs of rupees)

Heads	Budget estimate 1113 Rs.	Actuals 1113 Rs.	Increase Rs.	Decrease Rs.	Explanation
Land Revenue	3·07	2·96	..	·11	Due to savings under Establishment charges etc.
Agriculture	1·60	1·49	..		The expenditure on account of Rural Reconstruction has been shown separately under 'Rural Development'
Panchayats	2·14	1·95	..	·19	Due chiefly to savings under works
Palace	6·95	7·50	·55	..	Due to contribution to reserve fund
Excise	1·24	1·17	..	·07	Savings under Refunds, Printed forms, etc.
Tramway	·85	·80	..	·05	Savings under Capital Expenditure
Anchal	·90	·85	..	·05	Savings under 'Cost of Anchal and service stamps'
Accounts & Finance	·62	69	·07	..	Mainly due to grant of leave to Comptroller and Assistant Comptroller
Police	2·27	2·22	..	·05	Savings mainly under 'Establishment'
Education	18·67	18·30	..	·37	Savings under Establishment charges, Public Examination charges, etc.
Medical	5·02	4·78	..	·24	Non-utilisation of the full provision made for Radium treatment, etc.

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(In lakhs of rupees)

Heads	Budget estimate 1113 Rs.	Actuals 1113 Rs.	Increase Rs.	Decrease Rs.	Explanation
Public Health	1·46	1·41	..	·05	Decrease in expenditure under Town Improvement works etc.
Pension and Gratuity	3·81	4·23	·42	..	Actuals
Stationery and Printing	1·58	1·49	..	·09	Savings under overtime allowance, the cost of paper etc. etc.
Public Works	11·68	12·84	1·16	..	Mainly on account of Ram Mohan Palace buildings and the Training Institution buildings
Interest	4·80	4·73	..	·07	Due to non-payment of interest on the State loans in full
Scientific, etc., Departments	·23	·44	·21	..	Due to adjustment on account of loss on the working of Stone Ware Factory
Industries and Commerce	1·05	·95	..	·10	Savings due to transfer of Commercial teachers from Industries to Education, lapse of provision provided for Development of Coir Industry etc.
Income-tax	·44	·93	·49	..	Mainly due to larger refunds necessitated
Miscellaneous	·71	5·56	4·85	..	Mainly under Miscellaneous 'Subscription and Donation' Entertainment of State Visitors and other charges. Also due to transfer of Rs. 4·50 lakhs to Revenue Reserve Fund

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REVISED ESTIMATE OF 1114.

The following statement shows the Revenue and Expenditure for the current year according to the revised calculation now made on the basis of the actuals and other information so far known.

(In lakhs of rupees)

	Budget 1114	Revised 1114	Increase Rs.	Decrease Rs.
Total Revenue ..	104·87	108·46	3·59	..
Expenditure charged to revenue ..	101·56	103·55	1·99	..
Surplus or deficit ..	3·31	4·91	..	..

REVENUE.

The revised estimate for the current year shows an increase of Rs. 3·59 lakhs as compared with the budget estimates.

A statement showing the variations between the budget and revised estimates under the several heads is subjoined.

(In lakhs of rupees.)

	Budget 1114	Revised 1114	Increase Rs.	Decrease Rs.
Salt ..	4·90	5·11	0·21	..
Customs ..	23·50	25·28	1·78	..
Matches ..	2·10	1·23	..	0·87
Forests & Tramway ..	4·81	4·92	0·11	..
Interest ..	1·52	2·23	0·71	..
Education ..	3·78	3·92	0·14	..
Public Health ..	0·34	0·54	0·20	..
Railway ..	16·60	16·87	0·27	..
Income-tax ..	6·25	7·00	0·75	..
Miscellaneous ..	·16	·30	0·14	..

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Salt.—The actual receipt from salt is expected to record an increase of Rs. 0·21 lakh over the budget estimate of Rs. 4·90 lakhs owing to increased consumption.

Customs.—The increase in revenue, Rs. 1·77 lakhs represents the difference in the actual customs revenue receipt for 1937—1938 under the revised Cochin Harbour Agreement as compared with what was anticipated in the budget viz., Rs. 23·50 lakhs.

Matches.—The fall in receipt viz., Rs. 0·87 lakh as compared with the budget estimate of Rs. 2·10 lakhs is to be accounted for mainly by the closing of a few factories and the consequent decrease in the sale of banderols.

Forests and Tramway.—The increase of 0·11 lakh over the budget estimate of Rs. 4·81 lakhs is due to larger quantity of timber transported.

Interest.—Larger investments than anticipated have raised the income under 'Interest' from the budget estimate of Rs. 1·52 lakhs by Rs. 0·71 lakh.

Education.—As against the budget estimate of Rs. 3·78 lakhs, the revised estimate anticipates an increase of Rs. 0·14 lakh chiefly owing to larger number of admissions in the Secondary Department.

Public Health.—On account of the levy of the fees for cyano-gassing in connection with the anti-plague campaign in Mattancheri it is expected that there would be an increase of Rs. 0·20 lakh under 'Public Health' over the budget estimate of Rs. 0·34 lakh.

Railway.—The revised estimate anticipates an increase of Rs. ·27 lakh over the budget estimate of Rs. 16·60 lakhs due to increased earnings.

Income-Tax.—It is anticipated that the revised estimate would bring in an enhanced revenue of Rs. 0·75 lakh over the budget estimate of Rs. 6·25 lakhs owing to increased returns.

EXPENDITURE.

The revised estimates for the current year show an increase of about Rs. 1·99 lakh over the budget framed in Karkadagam last. The sub-joined statement shows the large variations in the revised estimates under the several heads as compared with the budget estimates.—

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(In lakhs of rupees)

Heads	Budget estimate 1114	Revised estimate 1114	Increase Rs.	Decrease Rs.
Land Revenue	3·10	3·02	...	·08
Palace	6·95	7·50	·55	...
Matches	1·25	·98	...	·27
Education	19·35	18·97	...	·38
Religious	·30	·40	·10	...
Public Health	1·50	1·59	·09	...
Pension and Gratuity	3·83	4·21	·38	...
Public Works	11·39	12·18	·79	...
Interest	5·25	5·98	·73	...
Railway	12·23	12·01	...	·22
Income-tax	·74	·94	·20	...
Miscellaneous	1·16	1·57	·41	...

Land Revenue.—As against the budget estimate of Rs. 3·10 lakhs, the revised estimate comes to Rs. 3·02 lakhs only, thus anticipating a saving of Rs. ·08 lakh. The decrease is mainly under 'Establishment' owing to savings under 'Leave allowance', etc.

Palace.—In view of the large surplus of 1113 the contribution of Rs. 0·55 lakh towards the 'Palace Reserve Fund', the payment of which was being kept suspended for some years, was paid in the year and hence the revised estimate anticipates an increase of Rs. 0·55 lakh over the budget estimate of Rs. 6·95 lakhs.

Matches.—The decrease of Rs. ·27 lakh as compared with the budget estimate of Rs. 1·25 lakhs is chiefly due to the fact that the full contribution to Government of India as estimated for has not to be paid owing to the fall in the sale of banderols.

Education.—The revised estimate anticipates a decrease of Rs. 0·38 lakh from the budget estimate of Rs. 19·35 lakhs chiefly due to savings under Leave allowance, establishment, etc.

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Religious.—The revised estimate is in excess of the budget estimate of Rs. 0·30 lakh by Rs. 0·10 lakh as the old contribution has been restored.

Public Health.—As compared with the budget estimate of Rs. 1·50 lakhs an increase of Rs. 0·09 lakh is noticed in the revised estimate mainly due to the increased expenditure under 'Charges for prevention of epidemics' consequent on the anti-plague operations carried out in Mattancheri, in connection with the apprehended outbreak of plague, etc.

Pension and Gratuity.—To meet the actual claims under service pensions and compassionate gratuity to the heirs of the Government servants dying in harness, it is anticipated that a sum of Rs. 0·38 lakh more would be required in the revised estimate over the budget estimate of Rs. 3·83 lakhs.

Public Works.—The revised estimate anticipates an increase of Rs. ·79 lakh over the budget estimate of Rs. 11·39 lakhs mainly due to the additional works in the Ram Mohan Palace, opening of approach roads to Harbour bridge, adjustment of the expenditure incurred in previous years for survey of the Annamalai Road, etc.

Interest.—The increase of Rs. ·73 lakh over the budget estimate of Rs. 5·25 lakhs is chiefly due to the payment of arrear interest on loans.

Railway.—A saving of Rs. ·22 lakh is anticipated in the revised estimate (Rs. 12·01 lakhs) owing to the fall in working expenses.

Income-tax.—Mainly on account of the larger refunds anticipated, the revised estimate expects an increase of Rs. ·20 lakh over the budget estimate of Rs. ·74 lakh.

Miscellaneous.—The visit of His Excellency the Viceroy, mainly accounts for the increase of Rs. ·41 lakh over the budget estimate of Rs. 1·16 lakhs.

BUDGET ESTIMATE OF 1115.

A surplus of Rs. 5·07 lakhs is anticipated during the next year as against a surplus of Rs. 3·31 lakhs anticipated in the budget estimate and Rs. 4·91 lakhs expected according to the revised estimates of the current year as detailed below:—

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(Rupees in lakhs)

	Budget Estimate 1114 (1)	Revised estimate 1114 (2)	Budget estimate 1115 (3)	Difference between columns 2 and 3
	Rs.	Rs.	Rs.	Rs.
Total Revenue ..	104·87	108·46	107·95	—·51
Total expenditure ..	101·56	103·55	102·88	—·67
Surplus or deficit ..	+3·31	+4·91	+5·07	

REVENUE.

As compared with the revised estimate, the total revenue shows a fall of Rs. ·51 lakh. The estimates for the next year generally follow the revised estimate for the current year.

A comparative statement of the estimated revenue of next year with reference to the budget and the revised estimates of the current year is given below.—

(Rupees in lakhs)

Heads	Budget estimate 1114	Revised estimate 1114	Budget estimate 1115	Difference between 3 and 4	
				Increase	Decrease
1	2	3	4	5	6
	Rs.	Rs.	Rs.	Rs.	Rs.
Customs ..	23·50	25·28	24·25	...	1·03
Abkari and Ganja ..	9·76	9·76	9·52	...	·24
Matches ..	2·10	1·23	2·06	·83	...
Forest and Tramway ..	4·81	4·92	4·79	...	·13
Interest ..	1·52	2·23	2·38	·15	...
Public Health ..	·34	·54	·34	...	·20
Public Works ..	3·35	3·42	3·30	...	·12
Railway ..	16·60	16·87	16·60	...	·27
Income-tax ..	6·25	7·00	6·50	...	·50
Miscellaneous ..	·16	·30	1·30	1·00	...

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Customs.—A sum of Rs. 1·03 lakhs less than the revised estimate of the current year, viz. Rs. 25·28 lakhs only is expected for the next year.

Abkari and Ganja.—A decrease of Rs. ·26 lakh as compared with the revised estimate is anticipated mainly under 'arrack' and 'duty on spirituous medicinal or toilet preparations', due to fall in rentals in the former case and reduction of duty on Indian made spirituous preparations in the latter case.

Matches.—The budget estimate for next year exceeds the revised estimate of Rs. 1·23 lakhs for the current year, by Rs. ·83 lakh due to the fact that receipts for 2 years 1938-39 and 1939-40 on account of the introduction of a preliminary distribution of Matches Excise Duty, are yet to be credited.

Forest and Tramway.—The revised estimate for the current year is Rs. 4·92 lakhs and for the next year Rs. ·13 lakh less than the revised estimate is anticipated due mainly to the anticipated fall in transport charges of timber carried for Forest Department next year.

Interest.—A sum of Rs. ·15 lakh is anticipated next year in excess of the revised estimate of Rs. 2·23 lakhs for the current year due to larger investments made in Government Securities.

Public Health.—It was due to the fees from cyanogassing of valloms in connection with the outbreak of plague, that there was larger receipt this year. Only the usual ordinary receipt is anticipated for next year and hence the apparent fall of Rs. ·20 lakh as compared with the revised estimate of Rs. ·54 lakh.

Public Works.—The receipt for 1115 as anticipated falls short of the revised estimate for the current year by Rs. ·12 lakh, mainly due to the absence of any large contribution in aid of Public Works as in this year.

Income-tax.—As compared with the revised estimate for the current year viz. Rs. 7·00 lakhs the anticipated budget estimate for next year is Rs. 6·50 lakhs only.

Miscellaneous.—A contribution of Rs. 1 lakh towards Rural Development Works is proposed from the Reserve fund and this is taken credit for and hence the large increase.

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EXPENDITURE.

General.—It has been found by experience that the leave allotment at 5 per cent of the establishment charges is insufficient owing to the grant of leave on full pay to retiring officers under Art. 139 B, C. S. R. The actual requirement on this account has therefore been additionally provided, wherever necessary.

Another important feature of the budget estimate for 1115 is the special contribution of Rs. 1 lakh for rural development out of the revenue reserve fund already referred to. It has been distributed as follows :—

1. Panchayats—

	Rs. 27,500	for concentration works
	Rs. 30,000	,, original works
	Rs. 5,000	,, Libraries—Rural
Total	**Rs. 62.500**	

2.	Public Health	.. Rs.	5,000
3.	Co-operative	.. Rs.	5,000
4.	Agriculture	.. Rs.	5,000
5.	Industries	.. Rs.	10,000
6.	Labour	.. Rs.	2,500
7.	Rural development	.. Rs.	2,500
8.	Ayurveda	.. Rs.	7,500
	Total	.. **Rs.**	**37,500**
	Grand total	.. **Rs.**	**1,00,000**

Details are appended wherever possible.

13. The programme of expenditure for next year provides for a total outlay of Rs. 102·88 lakhs as against Rs. 103·55 lakhs in the revised estimate.

A comparative statement of estimated expenditure for the next year (1115) with reference to the Budget and Revised estimates for the current year is given below.—

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[Rupees in lakhs.]

Heads	Budget estimate 1114 Rs.	Revised estimate 1114 Rs.	Budget estimate 1115 Rs.	Difference between 3 and 4 Increase Rs.	Difference between 3 and 4 Decrease Rs.
1	2	3	4	5	6
1. Land Revenue ..	3·10	3·02	3·15	·13	..
2. Agriculture ..	1·60	1·59	1·59	..	..
3. Panchayats ..	1·97	1·97	2·65	·68	..
4. Co-operative ..	·25	·24	·28	·04	..
5. Palace ..	6·95	7·50	7·50	..	..
6. Subsidy ..	2·00	2·00	2·00	..	..
7. Excise ..	1·21	1·20	1·22	·02	..
8. Matches ..	1·25	·98	1·05	·07	..
9. Stamps ..	·31	·31	·31	..	..
10. Customs ..	·78	·79	·78	..	·01
11. Forests and Tramway ..	3·45	3·41	3·35	..	·06
12. Registration ..	·92	·90	·91	·01	..
13. Anchal ..	·77	·76	·77	·01	..
14. General Administration ..	2·14	2·14	2·20	·06	..
15. Finance and Accounts ..	·66	·66	·66	..	..
16. Law and Justice ..	2·96	2·86	2·86	..	..
17. Jails ..	·32	·31	·33	·02	..
18. Police ..	2·36	2·29	2·42	·13	..
19. Education ..	19·35	18·97	19·35	·39	..
20. Religious ..	·30	·40	·40	..	..
21. Charities ..	·51	·52	·47	..	·05

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[Rupees in lakhs.]

Heads	Budget estimate 1114 Rs.	Revised estimate 1114 Rs.	Budget estimate 1115 Rs.	Difference between 3 and 4	
				Increase Rs.	Decrease Rs.
1	2	3	4	5	6
22. Medical ..	5·50	5·46	5·26	..	·20
23. Ayurveda ..	·37	·37	·45	·08	..
24. Public Health ..	1·50	1·59	1·50	..	·09
25. Pension and Gratuity ..	3·83	4·21	4·34	·13	..
26. Stationery and Printing ..	1·68	1·64	1·49	..	·15
27. Military ..	1·17	1·15	1·20	·05	..
28. Public Works ..	11·39	12·18	10·90	..	1·28
29. Interest ..	5·25	5·98	5·37	..	·61
30. Scientific &c. Department ..	·20	·19	·19	..	..
31. Industries—Reserved ..	1·04	1·02	·47	·14	..
32. „ —Transferred ..			·69		
33. Rural Development ..	·18	·17	·18	·01	..
34. Railway ..	12·23	12·01	12·23	·24	..
35. Uplift of the Depressed Classes ..	·71	·68	·71	·03	..
36. State Conveyance ..	·70	·83	·55	..	·28
37. Income-tax ..	·74	·94	·93	..	·01
38. Miscellaneous ..	1·16	1·57	1·42	..	·15
39. Sinking Fund ..	·75	·75	·75	..	..

Important points or variations requiring explanation are detailed below :—

Land Revenue.—The budget estimate anticipates an increase of Rs. ·13 lakh over the revised estimate of Rs. 3·02 lakhs. The increase is mainly due to the increased provision for 'Fisheries'.

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Fisheries.—A re-organisation of the Fisheries department has been ordered with effect from 1st Chingam 1115. The post of a Fishery Superintendent on Rs. 100—125 is proposed to be created in place of the Inspector on Rs. 60—80 and to assist him in correspondence he is to be given a clerk on Rs. 25—40. The department will however, continue under the Diwan Peishkar. The scheme is to be tried for 2 years.

The additional staff of peons for patrol work is proposed to be continued.

A provision of Rs. 7,300 has been made under 'Fisheries Miscellaneous' of which Rs. 2,350 is for opening a new fish curing yard at Edavanakad and shifting the yard at Kathialam, the balance of Rs. 4,950 being for bunding the area of fishing stakes in Mulavukad village for fishing purposes.

Temporary Establishment.—A provision of Rs. 2,000 has been made for Survey training of village officers and clerks while the provision of Rs. 460 is for eventual payment to British Government towards the advanced Survey training of the clerk which is finished.

Agriculture.—Enhanced provision for 'Demonstration in Ryots' lands, the continuance of the special contribution of Rs. 5,000—for measures of rural development, extra provision for exhibitions etc., are some of the more prominent features of the budget estimate for 1115.

The unnecessarily large number of cattle in the Central Farm is proposed to be disposed of and only reduced provision is therefore made under 'Feeding charges'.

Considering the number and size of gardens the expenditure incurred on them was excessive and Government have therefore gone into the question and effected considerable retrenchment. It is proposed to abolish the posts of 23 gardeners and effect reduction in the usual maintenance charges. A saving of over Rs. 9,000 is expected of which 50 per cent is proposed next year for pipe laying and construction of reservoirs for storing water in the gardens. The balance is proposed to be utilised for measures of public benefit. For 1115 a sum of Rs. 4,800 has been provided out of those savings for the development and enlargement of the Veterinary Department.

The post of the 'Maistry' in the Cocoanut Station is abolished and in its place 2 servants have been appointed on Rs. 12/—each to meet the requirements of the station.

Co-operative.—The post of the temporary Poultry Inspector on Rs. 40—60 is proposed to be transferred to the Rural Development Department where his activities are now centred.

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The work of the liquidation Inspector is being watched and the question of its continuance will be considered in the course of the year. Meanwhile, provision is made for the whole year.

A provision of Rs. 2,500/—has been made as in the current year out of the special contribution of Rupee 1 lakh for special aids to rural co-operative societies, etc.

Panchayats.—The budget estimate exceeds the revised estimate of Rs. 1·97 lakhs by Rs. ·68 lakh mainly due to the enhanced contributions for Rural Development besides the usual Panchayat provision and the transfer of Village Libraries from Education to Panchayats.

Manure has been arranged to be stocked and sold in 10 Village Panchayat Offices and an allowance of Rs. 2 each is proposed for the clerks who attend to this work.

A special provision of Rs. 27,500 has been made for concentration works in the 6 Panchayats noted in the programme. Another new feature of the budget for 1115 is an extra provision of Rs. 30,000 out of the contribution of Re. 1 lakh for rural development for original works of water supply, silt cleaning canals, etc., in Village areas.

There are now 28 Village libraries for which a grant of Rs. 3,612 is made and a sum of Rs. 596 is provided for opening of five new ones. Besides, a lump provision of Rs. 5,000 has been made as grant to rural libraries which is to be met out of the special contribution for Rural Development.

Palace.—The full provision of Rs. 7,50,000 required as contribution under the Palace Scheme has been made for the next year.

Registration.—The lower scale of pay given to the clerks in the Registration Department was a subject of repeated representation in the Council and Government have ordered a revision of pay from 1st Chingam 1115. Hence enhanced provision has been made to meet the increased cost of converting 19 posts on Rs. 25—40 into Rs. 40—60 and 26 posts on Rs. 25—30 out of a total of 56 into Rs. 25—40.

The temporary Registry Office at Narakkal is proposed to be continued. It is also proposed to entertain a temporary clerk on Rs. 25—30 for six months in the Chittur Registry Office.

No provision has been made for the 3 supernumerary peons on Rs. 11 as they have been ordered to be posted in the permanent vacancies of the Revenue department.

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General Administration.—The budget estimate exceeds the revised estimate of Rs. 2·14 lakhs by Rs. ·06 lakh. The increase is mainly on account of the lump provision of Rs. 5,000 for Census Operations.

Huzur Secretariat.—The scale of pay of one of the Deputy Secretaries (Rs. 200—300) is proposed to be raised to Rs. 250-350. The term of the two clerks on Rs. 25-40 entertained for destruction of records is proposed to be continued. A clerk on Rs. 25 as also a typist on Rs. 25-60 are found necessary for the consolidation of Acts and Rules and they are accordingly provided for under 'Temporary establishment'.

The provision under T. A. has been exhibited separately to show the T. A. incurred for the different officers—Diwan and staff, Honourable Minister and staff, and the Office.

Sarvadhikariakar's Office.—A clerk on Rs. 20 is proposed to be entertained for one year for copying old Theettoorams.

Spcial Palace Office.—The pay of the 2 astrologers on Rs. 30-40 and Rs. 20-25 was hitherto being exhibited under 'Printing'. The posts have now been transferred to 'Special Palace Office' for purposes of proper accounting.

Census.—A tentative provision of Rs. 5,000 has been made for Census Operations.

Law and Justice.—The post of an examiner in the Vadakkancheri Munsiff's Court has been abolished.

Jails.—The diet of the prisoners has been improved with a view to their better health by increasing the prescribed quantity of dhall and increased provision is made therefor. The provision for 'Temporary establishment' under sub-jails is, as usual, only a lump provision towards the pay of female warders who may have to be entertained for short periods when there are women prisoners.

Police.—As against the revised estimate of Rs. 2·29 lakhs the budget estimate is fixed at Rs. 2·42 lakhs showing an increase of Re. ·13 lakh. The various provisions more or less follow those of the revised estimate, the main variation being under 'Establishment' due to the full provision for leave allowance etc.

The posts of two first grade constables have been converted into those of attenders; similarly the post of a clerk on Rs. 25-40 has been created in place of that of a second grade head-constable and attached to the office.

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The two posts of Inspectors at Ooragam and Nemmara stations kept in abeyance, have been revived and two posts of head constables newly created—one for Ernakulam Traffic section and another to serve as head constable-clerk of the Deputy Commissioner.

The temporary establishment of the Harbour Police is proposed to be continued for next year also.

A provision of Rs. 4,500 has been made under 'Miscellaneous' for the purchase of a transport lorry which is a necessary requirement of the Police Department.

Medical.—As compared with the revised estimate of Rs. 5·46 lakhs, the budget estimate shows a decrease of Rs. ·20 lakh; but as a matter of fact it is an enhanced provision that has been made for next year since the increase in the current year was due to the provision of Rs. 25,000 for anti-T. B. Fund and Rs. 16,000 for purchase of radium.

Ten more pupil nurses are proposed to be drafted to the regular line of nurses from 1st Meenam 1115.

To meet the demands on account of the additional wards opened in several hospitals enhanced provisions have been made under 'Dietary charges' and 'Bedding and clothing'.

Education.—The budget estimate anticipates an increase of Rs. ·39 lakh over the revised estimate of Rs. 18·97 lakhs. The increase occurs mainly under the various establishments on account of accrual of increments, etc.

Maharaja's College.—In the College Department, the Hindi Section has received the affiliation of the University and hence the post of the Hindi Pandit has been made permanent with scale fixed on Rs. 60—90.

The vernacular section of the College was revised in the year by the abolition of the Professorship on Rs. 250—400 and creation instead of two professorships on Rs. 200—300.

The following posts were abolished and in their place new ones on lower scale were created.

Abolitions.	*Creations.*
4 Assistant professors (80—200)	2 lecturers (80—120)
1 Pandit	Language Pandit (50—60).

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Inspectorates, etc.—The scale of pay of Inspectors was reduced to Rs. 225—300 from Rs. 200—400. The scale of pay of the Principal, Training School was likewise reduced from Rs. 200—400 to Rs. 200—250 in the course of the year.

The two medical Inspectors and the Inspectress have been given a clerk on Rs. 15—25 each to attend to their clerical work.

A lump provision of Rs. 3,000 has been made for new divisions.

Religious.—Following the revised estimate, provision has been made for the full restored grant of Rs. ·40 lakh.

Stationery and Printing.—The budget estimate is fixed at Rs. 1·49 lakhs as against the revised estimate of Rs. 1·64 lakhs. The increase in the revised estimate having been due to purchase of machinery, no explanation is necessary for the fall in expenditure next year.

Military.—The only new feature of the budget is the provision of Rs. 3,000 made under 'Miscellaneous' for the purchase of troop horses.

Ayurveda.—An enhanced grant of Rs. ·08 lakh has been made under 'Ayurveda' as compared with the revised estimate of Rs. ·37 lakh. The pay of the poison specialist has been refixed at Rs. 25 instead of Rs. 30 and the specialist is proposed to be given an honorary assistant.

A provision of Rs. 600 has been made for opening a new Vaidyasala in Machad. The opening of an inpatient ward is proposed in the Central Hospital.

A special contribution of Rs. 7,500 has been made under the head, being the department's share of the special contribution of Re. 1 lakh for rural development and this is intended to be used for construction of buildings for manufacture of medicines on a large scale, etc.

Under 'Advances' a special allotment of Rs. 10,000 has been made towards the formation of a well equipped manufacturing section for manufacture and sale of medicines on a minimum gain which will be very beneficial to the public.

Another feature of the budget estimate for 1115 is a provision of Rs. 400 for giving honorarium to the Honorary Viadyans in the Hospital.

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Public Health.—A Manual for the Public Health Department is proposed to be drafted for which a provision of Rs. 75 has been made for the deputation of a clerk for 3 months.

The scheme for the control and eradication of the mosquito nuisance in the Municipalities of Ernakulam and Mattancheri is to continue till Meenam 1115 as it stands and a provision of Rs. 880 has been made as Government's share thereof.

A special contribution of Rs. 5,000 for Rural Development has been made this year also out of the special contribution of Re. 1 lakh for Rural Development.

Public Works.—The budget for the next year is fixed at Rs. 10·90 lakhs i.e. about Rs. ·50 lakh below the budget estimate of 1114. The absence of large works has made it possible to reduce the total allotment for 1115. Despite this reduction, increased provisions have been made for putting up buildings for Educational and Medical institutions. The items that deserve special mention are the following.

Providing additional accommodation in Civil Hospital, Trichur Rs. 20,000.

Reservoir work in Chittur Irrigation System Rs. 50,000.

Military.—The budget estimate exceeds the revised estimate of Rs. 1·15 lakhs by Re. ·05 lakh partly on account of the provision made for the purchase of troop horses (Rs. 3,000) and partly due to the full provision made under 'Establishment'.

Industries—Reserved.—The post of the temporary Weaving Assistant attached to the G. T. School, Trichur has been made permanent from 1115.

Government have decided to exhibit the State products at the Imperial Institute, London. Provision for the annual subscription £ 50 as well as the entrance fee £ 250 has been made in the Budget. Besides these, a provision of Rs. 2,500 has also been made for the collection charges.

Industries—Transferred.—The temporary posts under Government Industrial Schools have been made permanent from 1st Chingam 1115.

In addition to the provision of Rs. 5,000 for special contribution to Rural Development a sum of Rs. 4,000 and Rs. 1,000 respectively has

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9600

been provided for Industrial Grants to Coir Industry and Industrial Grants to fishing, out of the special grant of Re. 1 lakh.

As the provision of Rs. 3,500 made for Coir Industry in the current year could not be utilised this year itself a similar sum has been provided for in the next year's budget for the purpose.

A sum of Rs. 500 has been provided under 'Subsidy under State aid to Industries Act' against Rs. 200 in the current year.

Uplift.—*Collegiate Education*:—Enhanced provision has been made under the head for increasing the number of collegiate concessions. The allotment under the head includes the amount required for a scholarship to a depressed class student for studying law in Madras.

Supply of School requisites:—The supply of school requisites which was denied to failed candidates is proposed to be revived in the year.

A sum of Rs. 2,500 is provided for rural development from the special contribution of Re. 1 lakh.

Miscellaneous.—As compared with the revised estimate of Rs. 1·57 lakhs, the budget estimate comes to Rs. 1·42 lakhs only, the increase in the revised estimate having been due to special circumstances like the visit of H. E. the Viceroy etc.

The enhanced provision under 'Miscellaneous', Ram Mohan Palace—is towards electricity charges, telephone rent, cost of water and meter charges, maintenance of gardens etc.

Under subscriptions and donations the provision of Rs. 10,000 made towards donation to the Benares Hindu University accounts mainly for the increase over the usual budget estimate.

The increase over the usual allotment of Rs. 10,000 under 'Entertainment of State Visitors' is chiefly for purchase of furniture for State Garden parties, etc.

A provision of Rs. 10,000 has been made under 'Political—Other charges' to meet the expenditure connected with Federation.

CAPITAL OUTLAY.

General.—The procedure for the accounting of transactions relating to Capital undertakings may be outlined thus :—

The gross receipts will be exhibited under 'Advances' on the receipt side. Direct working expenses, depreciation fund (or amount towards repayment of capital) and net profit will appear on the

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disbursement side under the parallel head 'Advances'. The depreciation fund will ultimately be shown as an abatement of Capital expenditure under the head 'Capital Outlay' and the net profit as an item under the revenue head 'Profits from Capital Outlay'. Loss, if any, will be debited to the service head concerned as 'Loss on account of the working of the Section'.

ELECTRICITY SCHEMES.

Nemmara Electrification.—The Nemmara Electrification scheme was completed in the course of the year 1113 at a total expenditure of Rs. 35,660. It began work on 1st Thulam 1113. The receipts and working expenses for the year were Rs. 5,022 and Rs. 3,909 respectively which showed a profit of Rs. 1113, provision for depreciation being not necessary for the first year of working. The percentage of profit is 3·1.

Works for Rs. 1,919 have been undertaken during 1114. The capital expenditure at the end of 1114 will thus be Rs. 37,579. Against this, a net profit of Rs. 1,476 is anticipated for the year after making provision for a depreciation fund of Rs. 1,783. This works out a return of interest at the rate of 3·9 per cent per annum on the capital investment.

No new works under 'Capital' are proposed to be undertaken next year. The working is expected to result in a net profit of Rs. 1,261 as against Rs. 1,476 in 1114 after providing for depreciation fund to the extent of Rs. 1,879. This would work a return at the rate of 3·4 per cent per annum, the capital outlay at the end of the year standing at Rs. 37,579.

CHITTUR ELECTRIFICATION.

The Chittur Electrification works were under progress in 1113. The amounts spent on account of it stood at Rs. 50,526 at the end of 1113.

It is expected that the capital expenditure on account of the scheme will be Rs. 71,026 at the end of 1114. This power house commenced working during Makaram 1114. At the time of taking up the scheme, it was expected that certain Mill-owners would have to be supplied; but so far there has been no such demand. The receipts fall far short of expectation and consequently the concern may sustain a loss of about Rs. 5,010. This loss is proposed to be treated as a charge of the Public Works Department in the accounts.

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Extension works costing Rs. 2,000 are also proposed to be done in 1115. Even though the receipts may rise to some extent there may be a loss of Rs. 1,600 next year.

Irinjalakkuda Electrification.—A sum of Rs. 65,000 has been provided for this purpose in the budget of 1115.

WATER SUPPLY.

Submerged pipe line.—The pipe-laying work commenced in 1112 and it was finished towards the end of the year 1113. The total outlay came to Rs. 1,66,154.

The value of water supplied by the submerged pipe line in 1113 was about Rs. 3,000. The credit of this amount has, however, come only in the accounts of 1114.

Together with the expenditure of Rs. 1,66,154 in previous years, the capital expenditure at the end of 1114 will be Rs. 1,68,331. The sale proceeds of barges amounting to Rs. 3,414 is proposed to be treated as an abatement of this capital expenditure. The net expenditure will therefore stand as Rs. 1,64,917.

Out of the receipts of Rs. 28,000 anticipated for 1114, a sum of Rs. 2,000 will be required towards working expenses and Rs. 8,000 for repayment of capital. An amount of Rs. 6,646 will be appropriated towards 4 per cent interest on the capital and the balance of Rs. 11,354 will have to be credited as Public Works receipts as the cost of pumping and supplying water to the submerged pipe line is met by the Public Works Department and also the capital expenditure for the head works; the main pipe line, etc., is not shown under the capital expenditure on account of the sub-merged pipe line.

Capital works costing Rs. 1,700 have been provided for 1115. A sum of Rs. 21,510 being the sale proceeds of barges will also be credited. The net figure under 'Capital' at the end of 1115 will thus be Rs. 1,45,107.

In the current year part of the supply to the Harbour was made by the barges. Heareafter the whole supply to Mattancheri and Harbour will be made by the sub-merged pipe line and consequently a sum of Rs. 29,000 will be credited to P. W. department after meeting working expenses, interest and repayment towards capital.

NAVIGATION CANALS, IRRIGATION WORKS, COMMUNICATIONS, ETC.

(*a*) **Shanmukham Canal.**—The work is in progress. The proposed expenditure for the year is Rs. 72,823 and the expenditure at the end of 1114 including that of 1113 will be Rs. 98,591.

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A capital expenditure of Rs. 79,909 is proposed for 1115. This will make up the estimated amount of Rs. 1,78,500 necessary for completing the works.

It is hoped that the canal will be opened for navigation during the second half of 1115. The Irinjalakkuda Municipality has guaranteed an income of 4 per cent on the Capital Outlay. Accordingly receipts to the extent of Rs. 2,400 (being the approximate guaranteed income for 4 months) have been budgetted. This amount will be credited as interest on Capital.

(*b*) **Appangat Canal.**—The work has been stopped for want of co-operation of the local people. The amount spent on this so far is Rs. 11,287.

(*c*) **Shoranur Bridge.**—Out of the estimated amount of Rs. 59,000 the expenditure provided for this year is only Rs. 50,000 the balance being left to be paid in 1115. The bridge has, however, been completed and opened for traffic and it is anticipated that the toll receipts will amount to Rs. 1,100. The whole sum will be shown in the accounts as interest on capital outlay.

In future, it is proposed to credit 'Profits from capital outlay' with interest at $3\frac{1}{2}$ per cent of capital expenditure, the remaining sums being proposed to be treated as abatement of 'Capital' from next year.

The balance of Rs. 9,000 on account of the construction of the bridge has been provided for in 1115 thus raising the total 'Capital' to Rs. 59,000.

The anticipated receipts are Rs. 6,000. Of this, a sum of Rs. 2,065 will be credited as interest on Capital and the balance of Rs. 3,935 towards Capital as explained above.

INDUSTRIES.

Potteries.—A capital expenditure of Rs. 1,100 is provided for the current year and of Rs. 500 for the next year on account of the Stoneware factory.

It is seen that the book value of the articles in stock is somewhat less than the market value and that the book value has consequently to be written down. The actual profits that may accrue in 1114 and 1115 will therefore be written off towards the depreciation in the value mentioned above and hence no profits on account of the factory are shown in the revised and budget estimates.

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Tincture Manufacture.—The Government had under consideration for some time past a scheme for the manufacture of spirituous preparations required by the Medical Department in the College laboratory. The details worked out by the Professor of Chemistry, Maharaja's College show that the industry will at any rate pay for itself. If, on the other hand, the demand for tinctures increases in future years as anticipated by the Chief Medical Officer, there would also be a substantial profit to Government on account of the undertaking. A beginning will therefore be made in this direction during the next year and to meet the cost of machinery and building equipment required for the purpose a provision of Rs. 5,000 is made under 'Capital Outlay.

The following is a list of items of expenditure which have been newly provided for in the budget estimate of 1115 and which are not in continuation of the existing temporary schemes in the various Departments.

Serial No.	Item	Provision Rs.
	1. Land Revenue.	
1	Survey training of clerks and village officers ..	2,000
2	Opening of a fish curing yard at Edavanakad and bunding for fishing purpose ..	7,300
	2. Agriculture.	
3	Development and enlargement of the Veterinary Department ..	4,800
4	Contribution for Rural Development ..	5,000
5	Attender ..	220
	4. Co-operative.	
6	Contribution for Rural Development ..	5,000
	12. Registration.	
7	Revision of pay of clerks ..	1,436
8	Clerk (25—30) for 6 months ..	150
	13. Anchal.	
9	Opening of branch Anchal Offices etc. ..	540
	14. General Administration.	
10	Typist (25—60)—Huzur Secretariat ..	300
11	Clerk (20)—Sarvadhikariakar's office ..	240
12	Census Operations ..	5,000

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Serial No.	Item	Provision Rs.
	18. Police.	
13	Purchase of a lorry ..	4,500
	19. Education.	
14	Lump provision for new divisions ..	3,000
15	3 clerks for Medical Inspectors (15-20) ..	495
	22. Medical.	
16	10 Additional Nurses ..	800
	23. Ayurveda.	
17	Opening a new Vaidyasala—Machad ..	600
18	Special contribution ..	7,500
19	Opening inpatient ward ..	1,500
	24. Public Health.	
20	Clerk for drafting of Public Health Manual ..	75
21	Contribution for Rural Development ..	5,000
	26. Stationery and Printing.	
22	Purchase of machinery ..	20,000
	27. Military.	
23	Purchase of horses ..	3,000
	32. Industries.	
24	Participating in the Exhibition Imperial Institute, London ..	6,520
25	Contribution for Rural Development ..	10,000
26	Development of Coir Industry ..	3,500
27	Clerk for preparation of statistics for 6 months ..	150
	34. Uplift Department.	
28	Contribution for Rural Development ..	2,500
	37. Miscellaneous.	
29	Provision for Federation ..	10,000

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APPENDIX. III.

CHANGES IN CLASSIFICATION EFFECTED IN THE STATE TREASURY ACCOUNT.

1115.

RECEIPT SIDE.

VII. **Abkari and Ganja—Abkari.**—The name of the head '3 (*b*) Rebate of duty on spirituous medicines 'was changed into 'Duty on spirituous medicinal or toilet preparations.'

VIII. **Matches—.**A new sub-head 'Contribution towards recovery of charges of matches administration' has been opened to exhibit the transaction indicated by the head.

XIV. **Interest.**—A new detailed head '(1) Government Securities' has been opened to exhibit the receipt on this account.

XXIV. **Stationery and Printing.**—A new detailed head 'Sale of Gazette' has been opened for exhibiting the receipts indicated by the detailed head.

XXV. **Public Works.**—A new sub-head 'Petroleum License fees' has been opened to note the receipts on account of fees for licenses issued by the Chief Engineer under the Petroleum Act.

XXIX. **Rural Development.**—For crediting miscellaneous receipts of the Department a new detailed head '4. Miscellaneous' has been opened under 'Rural Revelopment'.

XXXV. **Deposits.**—A new detailed head '1. Palace renovation and construction fund' was opened under 'P. W. Contribution Works.'

XXXVI. **Advances Repayable.**—Under '(*n*) Forest Advances' instead of the existing head 'Forest Advances' two detailed heads have been opened as follows.—

(*n*) Forest Advances.—
(*i*) Advances on account of Devaswam elephants.
(2) Other advances.

The name of the detailed head '(*n*) (*i*) Advance to Workshop Department of Industries and Commerce' was changed into '(*n*) (*i*) 'Carving Workshop advances.'

Under '(*s*) Public Works advances' instead of the existing head 'Public Works Advances' two detailed heads have been opened as follows.—

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(*s*) Public Works Advances.

(1) Advances for V. T. K. Estate Works.

(2) Other Advances.

The detailed head 'Loss on account of Stoneware Factory recouped by Government' under 'Advances—Stoneware Factory Advances' was deleted and a new head 'Profit or loss on account of Stoneware Factory' was opened.

For exhibiting the 'Loans to Municipalities' and 'Loans to Companies' two heads were opened under 'Advances' as '*a* (*w*) Loans to Municipalities' and '*a* (*x*) Loans to Companies.'

A new detailed head was also opened for exhibiting the transactions on account of manufacture of tinctures in the Maharaja's College—'Advances for the manufacture of tinctures in the Maharajah's College, Ernakulam.'

XXXVII. **Remittances.**—The detailed heads 'Interest cheques payable' and 'War loan interest cheques payable' were deleted and a new head '(*v*) Madras Motor Vehicles Taxation Act License fee Remittances' was opened.

DISBURSEMENT SIDE.

1. Land Revenue. The several detailed heads relating to Fisheries have been brought under the sub-head 'H—Fisheries' to exhibit the expenditure on account of fisheries separately.

2. Agriculture. The expenditure on account of maintenance of gardens till now shown under two sub-heads 'Palace gardens' & 'other gardens' will hereafter be reclassified under three heads.

1. Palace gardens
2. Public gardens
3. Gardens attached to Residential quarters.

Under (*c*) Veterinary Department 3 detailed heads were newly opened for exhibiting separately the expenditure indicated by the detailed heads:—

(*l*) Cleaning charges.

(*m*) Purchase of books and

(*n*) Purchase and repair of furniture, etc.

3. Panchayats. Detailed sub-head 'Contribution for Rural Development' has been opened under "Village Panchayats". "Village

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Libraries" is a new sub-head opened under the major head 'Panchayats' to exhibit the expenditure on account of Rural Libraries hitherto booked under 'Education'.

14. General Administration.—*1. Huzur Secretariat.*—Detailed heads have been opened under 'Travelling Allowance' for exhibiting the T. A. to the Diwan and his personal staff, the T. A. to the Huzur staff and the T. A. to the Minister and his staff, separately.

A new detailed head '(*j*) House rent allowance' has been opened for exhibiting the expenditure on account of house rent allowance to the Minister. A new sub-head "Census Operations" has been opened.

Finance and Accounts.—The name of this major head was changed into 'Finance and Accounts'.

23. Ayurveda.—New detailed heads 'Local Allowance' and Special Contribution for Rural Development' have been opened under 'Allowances'.

24. Public Health.—The detailed head '(*f*) Chittūr-Tattamangalam Town Improvement Works' under 'Sanitation and Conservancy' Works Proper was deleted and separate heads have been opened for Town Improvement Works in Chittur and Tattamangalam as follows.—

(*f*) Chittur Town Improvement Works.

(*g*) Tattamangalam Town Improvement Works.

A new head '(*a*) *e*. Refunds' was opened under '3. Rural Sanitation.'

26. Stationery and Printing (2) Printing.—The detailed heads existing under the above minor head were deleted and new detailed heads have been opened as shown in the budget consequent on the re-organisation of the Press.

28. Public Works.—The loss on account of certain capital undertaking will hereafter be shown under a separate sub-head under 'Public works.'

29. Interest.—Two new detailed heads '(6) Interest on Municipal Funds' and (7) Interest on Palace Reserve Fund' were opened.

30. Scientific, etc. Departments.—The various sections, State Museum, Zoo and Zoo Gardens have been amalgamated and brought under a single head "Museum and Zoological Gardens" and necessary sub-heads have been opened under this head.

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31. **Industries and Commerce.**—The head has been split up into two—'31 Industries—Reserved' and '32 Industries—Transferred'. To exhibit the transaction of the carving workshop transferred from 'Museum' necessary sub-heads have been opened under 'Direction and Inspection'.

38. **Miscellaneous.**—The minor head '(*c*) Guest House, Ernakulam' with the detailed heads thereunder has been deleted and a new minor head '(*c*) Ram Mohan Palace' with the necessary detailed heads have been opened.

40. **Capital Outlay.**—A new detailed head 'Tincture manufacture' has been opened for exhibiting the capital expenditure incurred on account of manufacture of tinctures in the Maharaja's College, Ernakulam.

43. **Deposits.**—A new detailed head 'Palace Renovation and Construction' was opened under 'P. W. Contribution works'.

44. **Advances.**—Under '(*n*) Forest Advances' instead of the existing head 'Forest Advances' two detailed heads have been opened.

(1) Advances on account of Devaswam elephants.
(2) Other Advances.

The name of the detailed head '*u* (*i*) Advance to workshop Department of Industries and Commerce' was changed into '*u* (*i*) 'Carving Workshop Advances.'

Under '(*s*) Public Works Advances' instead of the existing head 'Public Works Advances' two detailed heads have been opened as follows.

(*s*) Public Works Advances.
(1) Advances for V. T. K. Estate works.
(2) Other Advances.

The detailed head 'Profit on account of Stone-Ware Factory existing under 'Stone Ware Factory Advances' was deleted and a new head 'Profit or loss on account of Stone Ware Factory' was opened.

For exhibiting the 'Loans to Municipalities' and 'Loans to Companies' two heads were opened under 'Advances' as '(*a*) w Loans to Municipalities' and '(*a*) x Loans to Companies'. A new detailed head was also opened for exhibiting the transactions on account of manufacture of tinctures in the Maharaja's College, Ernakulam viz., 'Advances for the manufacture of tinctures in the Maharaja's College, Ernakulam.'

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